



# TENNESSEE BOARD OF UTILITY REGULATION

**2025 Annual Report**

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**Ross Colona**  
*Assistant Director of Local Government Finance  
Designated Manager of the Tennessee Board of Utility Regulation*

*Pursuant to Tenn. Code Ann. § 7-82-705, this report provides an overview of the activities of the Tennessee Board of Utility Regulation for the fiscal year ending June 30, 2025.*

## MESSAGE FROM THE TENNESSEE BOARD OF UTILITY REGULATION STAFF



**Ross Colona**

*Assistant Director of Local  
Government Finance,  
Designated Manager of the  
Tennessee Board of  
Utility Regulation*

The Tennessee Board of Utility Regulation (TBOUR) remains committed to supporting the effective oversight and long-term sustainability of local government utilities across the state. Our work emphasizes the importance of sound financial management, responsive service, and customer protection in the operation of water, sewer, and natural gas utilities.

Utilities are foundational to the health, safety, and economic vitality of Tennessee communities. Whether it's clean drinking water, safe wastewater treatment, or dependable natural gas service, these systems impact the daily lives of citizens and the growth potential of our state. The Comptroller's Office, through the work of the TBOUR, supports these essential services by promoting rate structures that are reasonable, justifiable, and sufficient to maintain operational and financial health.

We recognize that utility systems must carefully balance the need for affordable rates with the responsibility of funding both immediate operations and future infrastructure. Prudent management practices are crucial for ensuring that utilities can meet today's demands while preparing for tomorrow's challenges.

In our oversight role, we work not only to strengthen the governance and finances of utility systems but also to safeguard ratepayers from mismanagement or adverse actions. The TBOUR takes all customer complaints seriously and is dedicated to ensuring that utilities operate transparently and in the public interest.

Looking ahead, our focus remains on reinforcing the financial and managerial health of utility systems, equipping them to serve Tennesseans effectively today and well into the future. By doing so, we help make certain that every community across the state can rely on accessible, affordable, and high-quality utility services.

Thank you,



**Ross Colona**

*Assistant Director of Local Government Finance  
Designated Manager of the Tennessee Board of Utility Regulation*

**Tennessee Board of Utility Regulation**  
Tennessee Comptroller of the Treasury  
Cordell Hull Building  
425 Rep. John Lewis Way N.  
Nashville, TN 37243

★ ★ ★

Office: 615.747.5260  
E-mail: [Utilities@cot.tn.gov](mailto:Utilities@cot.tn.gov)

★ ★ ★

*For additional information about the  
Tennessee Board of Utility Regulation, visit:  
[www.comptroller.tn.gov/boards/utilities](http://www.comptroller.tn.gov/boards/utilities)*

The Tennessee Board of Utility Regulation (“TBOUR”) is responsible for regulating water, sewer, and natural gas utility systems owned by local governments in Tennessee. Below is a breakdown of the utilities that the TBOUR oversees.

	City/Town	Utility District	County	Authority	Joint Ventures	Total
Water	13	120	3	3	4	144
Sewer	38	1	3	4	2	48
Natural Gas	0	17	0	0	0	17
Water and Sewer	127	23	5	8	2	165
Water and Natural Gas	1	3	0	0	0	4
Sewer and Natural Gas	1	0	0	0	0	1
Water, Sewer, and Natural Gas	62	1	0	3	0	66
<b>Total</b>	<b>242</b>	<b>165</b>	<b>11</b>	<b>18</b>	<b>8</b>	<b>444</b>

## TBOUR CASES

There are various circumstances that may warrant a utility system to be referred to the TBOUR. Local governments were under the oversight of the TBOUR for the following reasons as of June 30, 2025:

**Water Loss:** This occurs when a utility reports non-revenue water at or above 40% or fails to submit water loss data. Non-revenue water includes leaks, unauthorized usage, meter inaccuracies, or overflows. A management plan and American Water Works Association (AWWA) worksheet (v6.0) from a third party may be required.

**Decreases In Net Position:** A utility is in financial distress if it has two consecutive years of negative statutory change in net position. Remedial actions may include rate studies and policy changes.

**Training:** A training case is triggered when utility board members fail to meet initial or continuing education requirements. Sanctions or administrative reviews may follow. Local utility board members are required to file an annual training statement.

**Annual Information Report:** A utility is referred to the TBOUR when it fails to file its Annual Information Report by the start of its fiscal year. This report includes the utility’s financial condition, rate structures, and water loss data. Noncompliance can result in subpoenas.

**Administrative Review:** This review is an in-depth assessment of a utility’s financial, technical, and managerial operations and is typically triggered by compliance failures or complaints. The TBOUR may mandate significant changes in governance and operations, including a merger with another utility.

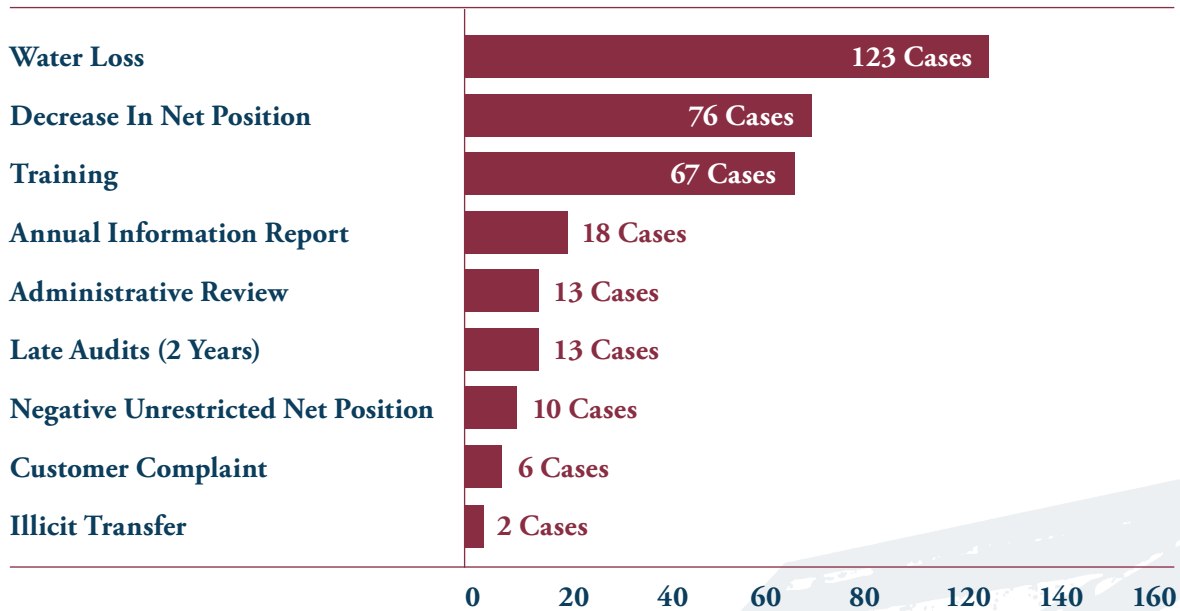
**Late Audits:** Utilities under the TBOUR must receive an annual financial and compliance audit. Utilities that are two years delinquent in submitting an audit to the Comptroller’s Office receive a referral for late audits.

**Negative Unrestricted Net Position:** A utility system is referred to the TBOUR for financial distress if it reports a deficit in unrestricted net position, meaning its resources are insufficient to cover its obligations.

**Customer Complaint:** Utility systems may be referred to the TBOUR following customer complaints when issues remain unresolved after being raised with the utility’s governing body. The TBOUR is authorized, under Tenn. Code Ann. § 7-82-702(b), to conduct informal hearings on complaints related to the reasonableness of rates, failure to provide service, lack of adequate policies, or unfair treatment.

**Illicit Transfer:** A utility system is referred to the TBOUR for an illicit transfer when local officials use utility funds for non-utility purposes, transfer utility money to other government funds without legal authorization, or improperly use non-utility funds to pay utility expenses.

## SUMMARY OF THE NUMBER OF CASES UNDER THE TBOUR AS OF 6/30/25:



## UTILITY REVITALIZATION FUND

The Utility Revitalization Fund (“URF”) was created by Tenn. Code Ann. § 7-82-708(a)(1) to mitigate the financial impact of mergers or consolidations between publicly-owned utility systems across the state. Pursuant to Tenn. Code Ann. § 7-82-708(a)(2), the TBOUR oversees disbursements from the URF.

The URF began with \$2 million, on July 1, 2023, from a one-time appropriation granted by the Tennessee General Assembly in Fiscal Year 2024. The TBOUR made one disbursement from this fund in FY 2024 to the Plateau Utility District (“Plateau”).

Plateau was awarded \$500,000 to mitigate the financial impact of its merger with the City of Wartburg’s wastewater system. The award consisted of one \$300,000 payment, and \$40,000 payments to be made annually for five years. As of June 30, 2025, Plateau had received the initial one-time \$300,000 payment and two \$40,000 annual disbursements. An outstanding obligation of \$120,000 remains, to be paid out over the next three years.

The General Assembly reallocated the unrestricted balance of \$1.5 million during the 2024 legislative session. There was \$120,000 remaining in the URF that was obligated to Plateau at June 30, 2025, and there was no unrestricted balance remaining.

## UTILITY ANNUAL INFORMATION REPORTS

As required by Tenn. Code Ann. § 7-82-707, utilities under the TBOUR must report to the Comptroller’s Office certain demographic, financial, managerial, and technical information annually. A summary of each of these reports can be found on the Board’s website. The information submitted is not audited; however, TBOUR staff work with utilities to help ensure accurate submissions.

## BOARD MEMBERS

*As of June 30, 2025*

### **Greg Moody**

*Chair, Comptroller's Designee*

### **Paula Mitchell**

*Vice-Chair,  
Tennessee Department of Environment  
and Conservation Designee*

### **Edwin Carter**

*Comptroller Appointee*

### **David Purkey**

*Senate Speaker Appointee*

### **Steve Stone**

*House Speaker Appointee*

### **Eugene Hampton**

*Government Finance Representative*

### **Bruce Giles**

*Utility District Representative*

### **Anthony Pelham**

*Utility District Representative*

### **Candace Vannasdale**

*Municipal Utility Representative*

### **Britt Dye**

*Utility System Representative*

### **Alex Smith**

*Utility System Representative*

## BOARD STAFF

*As of June 30, 2025*

### **Ross Colona**

*Designated Manager*

### **Seth May**

*Attorney*

### **Charlie Lester**

*East Tennessee Utility Analyst*

### **Meghan Denson**

*Financial Analyst, Middle Tennessee Utility Senior Analyst*

### **Nate Fontenot**

*West Tennessee Utility Analyst*

### **Benjamin Johnson**

*Senior Financial Analyst*

### **Alex Behnke**

*Financial Analyst*

